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# State of Utah

## DEPARTMENT OF INSURANCE

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### **Health Insurance: Stay Protected Amid Layoffs, Budget Cuts** *Insurance Regulators Offer Tips, Information for Consumers*

SALT LAKE CITY, UTAH — With the national unemployment rate at 8.5 percent,<sup>1</sup> families are living on tighter budgets, and many are struggling to maintain their health insurance coverage. Despite these challenges, there are still ways for consumers to remain protected and save on insurance costs, according to the Utah Insurance Department, a state regulatory agency.

“These uncertain times require us all to be vigilant about our insurance to make sure we are protected,” said Insurance Commissioner, D. Kent Michie. “Consumers can safeguard themselves and their families regardless of their employment situation by making sure they understand their coverage and researching less expensive alternatives.”

#### **Options for the Newly Unemployed**

It is important for the newly unemployed to examine their options early, because some choices expire within weeks of job termination. The Utah Insurance Department offers the following tips about health insurance for those who have recently lost their jobs or believe they might need to plan for the possibility:

- **If married, consider joining your spouse’s plan:** Transitioning to a spouse’s plan is typically the most affordable option, but you have to act quickly. There is a 30-day special enrollment period during which an employee can add a dependent who has lost coverage. If that 30-day window expires, then your spouse would need to wait to add you to his/her plan until the open enrollment period occurs.
- **Consider COBRA:** The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) allows individuals who leave their jobs at companies with 20 or more employees to continue their health insurance coverage for 18 months. Many states extend similar access for those who worked for small companies through “mini-COBRA” laws. In most cases, you have 60 days to elect coverage. COBRA coverage can be expensive, because you are required to pay the full premium, plus an administrative fee. However, it is also retroactive once you elect it, so use those two months to evaluate other options. Those who lose their jobs because a company goes out of business might not be eligible for COBRA if the company stops its group insurance plan.

- **Research eligibility for government-sponsored plans:** Check to see if you are eligible for insurance through a government program, such as Medicaid or Medicare. For more information, visit [www.cms.hhs.gov/home/medicaid.asp](http://www.cms.hhs.gov/home/medicaid.asp) or [www.medicare.gov](http://www.medicare.gov).
- **Purchase a private plan:** You can purchase coverage through private providers if you meet certain criteria. A high-deductible major medical policy will cover serious or catastrophic health costs if you cannot afford a comprehensive plan. Just remember, these plans will require you to pay more out-of-pocket costs should you need medical care.
- **Join a state-sponsored risk pool:** For those who have been denied affordable health coverage from a private insurer because of a pre-existing condition, high-risk pools provide the option of purchasing a state-sponsored insurance plan. These types of plans can be an alternative for individuals who are not yet eligible for Medicare or for those who are temporarily unemployed and need insurance in the interim. Thirty-four states offer high-risk pools, but the terms of coverage vary by state. Check with your state insurance department to see if your state has a high-risk pool and, if so, what your options are. Go to the Utah Insurance Department's Web site at <http://www.insurance.utah.gov/>.

## **Maximize Existing Health Insurance Coverage**

Those who have health coverage should also explore ways to take full advantage of existing benefits.

- **Switch to generic prescriptions:** If you are insured through your employer, your health plan likely provides a discount for generic medication. This discount can help you save on monthly out-of-pocket health costs. If generic options are not available for your medications, work with your doctor to help ensure your medications are listed among your health plan's list of preferred prescriptions. If a drug is not on the formulary, then there is higher cost-sharing (co-insurance or co-pay).
- **Schedule an annual check-up:** Annual physicals can catch health problems before they become serious, saving you money in the long run. Many insurance plans cover 100% of wellness care for routine exams, immunizations and diagnostic tests.
- **Stay in-network:** Before booking an appointment, verify that your doctor is included in your plan at preferred rates. Sticking to network providers helps ensure lower co-payments and out-of-network costs. If you need to have a procedure done at an out-of-network provider, research the costs and be prepared to negotiate the price.
- **Use preventive benefits:** Some employers offer a subsidized gym membership or nutrition program. Staying healthy and active will reduce your chances of needing costly high-risk medical procedures throughout your lifetime.

## More Information

If you have questions or are confused about your insurance coverage, contact the Utah Insurance Department at their toll free in-state 1-800-439-3805 or their local number 801-538-3077, or visit their website at <http://www.insurance.utah.gov/>.

Get smart about your insurance needs. For more information about auto, home, life and health insurance options — as well as tips for choosing the coverage that is right for you and your family — visit [www.InsureUonline.org](http://www.InsureUonline.org).

<sup>1</sup> *U.S. Bureau of Labor Statistics*

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**The Utah Insurance Department** is a state agency whose mandate is to regulate insurance marketed and sold in Utah. Currently they license over 86,000 agents, agencies and insurers; audit domestic insurers to verify financial stability and compliance with insurance laws; take administrative actions against licensees found to be in violation of the insurance laws; take calls from consumers who have questions or complaints; and educate licensees and consumers regarding insurance. Visit our website at <http://www.insurance.utah.gov/> or call our toll free in-state number 1-800-439-3805 or local number 801-538-3077.